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BOOK NUMBER  
881892

A280.3  
Ex822  
Prelim.

UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Extension Service  
Washington 25, D. C.



August 25, 1954

Preliminary Report  
of the  
Task Force Committee on Marketing

For many years there has been a trend both on the part of producers and consumers to demand more marketing services. During the past twenty years, for example, the number of persons employed in marketing of farm produced food products increased from 3.1 to 4.9 million people, or about 58 percent. In 1953, about 60 percent were workers in retail food stores and eating places, 25 percent in processing plants, and 15 percent in wholesaling, local assembling enterprises and transportation. Of those engaged in retail food stores and eating places, about 60 percent were in retail stores.

Part of the increase in marketing labor force has been due to the increase in volume marketed and the reduction in hours worked per week. Farm marketings have increased 60 percent since 1929. Average hours worked per week in food marketing were reduced from 42.5 in 1939 to 40.3 in 1953. Of significance also has been the increase in processing, packaging, and other marketing services, transferring functions from the home and farm to marketing firms and organizations.

The marketing of agricultural products is big business, amounting to approximately 24 billion dollars annually. This compares with approximately 20 billion dollars going to farmers. Involved in the moving of farm products from the farm through the retail store are approximately one million business firms. Also involved, of course, are 160 million consumers. Many of the 5 million farmers in the United States also perform some functions and services classified as marketing.

Costs involved in processing, storage, transportation, wholesaling, retailing, and other marketing services now amount to more than half of the consumer's total food bill. With the increase in marketing services being demanded, it is imperative that the utmost efficiency be realized.

The Place of Marketing in Extension Programs

The marketing function should be considered as a counterpart of production. In the expansion of extension marketing programs, primary consideration should be given to work with handlers, processors, or organizations who move products from the farm to the consumer, and with consumers.

Consumer and trade preferences are important in planning production of crops and livestock and should be considered primarily as a part of the production process. Educational work which is aimed at encouraging grower consideration



of market acceptance and consumer preference, as well as activities which can guide farmers in their decisions regarding acreages of specific crops to grow, or livestock to produce, are a part of production work. The necessity for close working relationship between personnel concerned with on-farm assistance and marketing work with handlers, processors, and consumers is recognized, if effective programs are to be organized.

While educational work in marketing with farmers should be continued, and expanded in many areas, it must be recognized that the greatest opportunities for achieving significant marketing changes can be realized in working with handlers, processors, and consumers. For example, if fruit and vegetable handling costs at the country point were reduced to zero, a reduction of only about 6% of the consumer's dollar could be realized. If the farmer gave his fruits and vegetables away, costs to the consumer could be reduced less than one-third. Marketing costs involving functions such as assembling, transportation, wholesaling, jobbing, and retailing, on the other hand, represent about 70¢ out of the dollar spent for fruits and vegetables and the opportunities for reduction of spoilage losses and improved handling methods are immense. While marketing costs make up a smaller share of the consumer's dollar for certain other commodity groups, they are nevertheless important. About 50¢ of the consumer's dollar for milk was for marketing costs in 1953, compared with 37¢ for meats, 31¢ for poultry, and 78¢ for grain products.

Extension must approach marketing education from the standpoint of marketing problems as such, rather than from the organization of subject matter departments in the colleges. While educational work in marketing has been considered synonymous with agricultural economics in some States, the technological aspects of marketing problems should receive attention. For example, the engineer can help improve market layout, use of facilities, together with handling and work methods; while the food technologist can provide assistance that could improve processing techniques and product quality. The biologist, too, has great opportunities to aid in quality preservation, together with entomologists who can contribute at all levels of distribution in reducing losses and maintaining sanitary conditions.

It is recognized that educational work in marketing must be approached on a long-term basis as with other extension programs.

#### Position of Extension to do Educational Work in Marketing

Extension's success in working with people has been well established and recognized. With this background and current experience in carrying on marketing programs of one type or another in every State, Extension can meet the challenge and opportunity of developing a greatly expanded program in marketing.

Educational work in marketing, like that in other fields, deals essentially with helping people adopt improved practices and methods. From the beginning, Extension has carried on educational work with handlers, although the program was rather limited in most areas until passage of the Agricultural Marketing Act of 1946. Since the passage of this act, Extension has

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developed a number of marketing projects which have been very successful, but funds have not been available to develop an effective, overall marketing educational program.

The demand for on-farm assistance has been so great that it has not been possible to make major shifts in programs to include more marketing work. This is indicated by the fact that county agricultural agents devoted only 3.5 percent of their time to marketing in 1953. With additional funds and personnel, it should be possible to develop more comprehensive programs, bringing to bear training and experience of the physical and applied sciences as well as economics. Thus, it should be possible to develop programs in which emphasis would be placed on the important facets of problems rather than approaching those of concern to only one or possibly two disciplines or subject-matter fields.

Extension currently has a core of well-trained and experienced specialists who can give guidance to an enlarged marketing program. In recent years, many county agents and assistant agents have taken graduate work that should equip them to take an active part in future marketing programs. Graduate schools have turned out an increasingly greater number of students in recent years. In new areas where little formal training is available, the trade is demonstrating its ability and desire to help Extension develop training programs for new personnel. This area shows great promise.

Many county agricultural and home agents have had some experience in doing educational work with handlers and consumers. With additional personnel available for them and sufficient administrative support, one may reasonably expect expanded marketing programs at the county level. On the staff of specialists in our colleges are engineers, biologists, and economists whose background of training has equipped them to work on the facets of many marketing problems. In some States, realignment of programs may result in some specialists devoting more time to work in marketing. In most States, however, employment of additional personnel will be necessary to take major responsibility for carrying on increased marketing educational work.

#### Organizing and Conducting Programs

Unquestionably, reorganization of our marketing programs will be needed in many States. Administrative support and direction must be given to the work.

In reorganizing the work, recognition must be given to the fact that educational work in marketing encompasses several subject-matter fields and that the sole responsibility for subject matter cannot be given to any one department if significant improvements are to be expected.

At the State level, it will be necessary for the State director, or an assistant, to organize comprehensive programs, bringing together the technical skills and know-how of specialists in fields of work concerned. It must be further recognized that demands of those presently concerned with



on-farm assistance are, in most instances, great and that they cannot be expected to carry on an expanded marketing education program in addition to their regular duties. Where different teams or groups are concerned with on-farm assistance and marketing work beyond the farm, there must be liaison between these groups in order to develop an understanding of the problems of each group.

As our marketing programs are expanded, more attention must be given to concentration on specific problem areas. The approach will depend on the local situation and the personnel involved. Success in working with representatives of marketing firms and organizations will depend on technical skills, the ability of extension workers to develop an appreciation for problems of the trade and the practical application that can be made of technical know-how. In many cases, this will involve locating personnel close to the problems, as we have them with farm people.

In the development of marketing programs, much consideration should be given to evaluating results of the work.

#### Some Areas or Types of Extension Marketing Work in the Counties

1. Consumer Marketing Information. In this type of work consumers, producers, and others should be informed concerning situations, practices, problems and costs involved in the production and marketing of various commodities as well as availability, home care, use, price, and other information about products available in local markets. This work could be done largely through regular radio and television programs and news releases and feature articles. Mass meetings could also serve as a means of disseminating this information.
2. Demonstrations of marketing practices with shippers, processors, etc. Improved practices based on research and experience can be demonstrated. For example, changes in types of containers for certain vegetables has been made through demonstrations which have been initiated by county workers. County agents in Alabama in working with the local retailers and farmers have made significant improvements in the marketing of eggs. In this way gains have accrued to the farmer, the retailer, and to the community as a whole.
3. Analyzing community position with regard to location of new firms. Before locating new plants, business organizations often go to land-grant colleges to obtain information concerning potential production areas, labor supply, tax structure and other costs and services essential for this operation. County workers are in an excellent position to analyze the local situation with regard to competitive industries, labor, and other elements important in determining location.
4. Educational work in public affairs pertaining to marketing. Such work is needed in developing public understanding of marketing agreements and orders and other legislation and policies of the Government



pertaining to the marketing of agricultural commodities. The county agent is in an excellent position to disseminate such information to farmers, shippers, and others in his particular locality.

5. Providing information on supplies to buyers in other areas. Agents in many areas of the country are currently doing work in this area. Information on supplies of feeder cattle, for example, is supplied to other areas needing feed lot cattle. Truckers and other buyers are supplied information concerning the availability of fruits and vegetables.
6. Providing information on market demands and consumer preferences to producers. This area of work is important in helping growers to adjust to changing consumer preferences and market demands. This involves items such as changes in acceptance of various varieties of crops and changing practices such as new or different types of containers, methods of refrigeration, etc.
7. Analyzing and interpreting crop reports in terms of the local situation. Valuable assistance can be given to producers, market operators, and consumers at the county level by analyzing prospective crop reports and current inventories to estimate volume to be available on the market from the immediate area as well as competing areas.

#### Areas or Types of Marketing Work of State Specialists

1. Provide technical assistance in program leadership to county personnel on local marketing problems. This involves helping county agents analyze and conduct educational programs aimed at the solution of marketing problems as well as fit local marketing programs into regional, State, and national programs where applicable.
2. Work with State, area organization, and other groups on development of practical programs that supplement or complement existing programs. This involves work with organizations such as cooperatives, meat packers, store representatives and others who operate over large areas within a State in an effort to obtain concerted action on marketing problems for areas broader than the county unit. This, too, involves work with these groups in helping them analyze specific marketing problems, and develop educational programs.
3. Conduct meetings and training sessions with county personnel and other agencies to stimulate interest in and focus attention on marketing problems. This involves holding county, regional, or Statewide meetings or seminars to discuss specific marketing problems with county agents and representatives of other agencies or organizations concerned in an effort to develop interest as well as obtain concerted action.
4. Conduct demonstrations on the use of new or improved technology. Considerable progress is being made in this area, particularly through the adoption of improved practices. Marketing specialists in many of

the States have conducted demonstrations with firms and organizations emphasizing use of improved practices such as the installation of improved storage and refrigeration equipment, new types of containers, improved packaging techniques, etc.

5. Provide consultant service to county committees, marketing firms and organizations. Marketing specialists consult with county commodity or marketing committees and marketing firms and organizations within the various States on current marketing problems needing attention. Such problems as changes in marketing practices, grower-dealer or processor relationships, location of new processing plants, changes in marketing structure, etc., receive attention.
6. Cooperates with other State and Federal agencies dealing with the solution of national and regional problems. State specialists cooperate with various agencies of the Department of Agriculture in working on specific marketing programs or problems. Work on livestock marketing, grain marketing, grain storage, and consumer education are typical of this work.

#### Types of Work of Federal Office Personnel

1. Work with state administrators and specialists in the development of programs aimed at solving local, regional, or national problems. This sometimes involves assistance in analyzing local problems or obtaining concerted action from several states on regional or national problems. Work on grain storage and livestock marketing serve as examples of this area of work.
2. Provides leadership in the development of work in new areas or fields. Personnel of the Federal office are called upon frequently by administrators and specialists in the State extension services to review the possibilities of the development of work areas such as consumer and wholesaler-retailer education and to prepare projects. Training programs, techniques and materials are provided. Assistance is given in the development of liaison with business firms and others.
3. Develops and maintains liaison between Extension Services and national marketing firms and governmental organizations. In each area of work representatives of the Federal office work with national marketing firms and organizations on specific problems needing attention. Representatives of these firms and organizations often consult with Federal office personnel concerning possible cooperation with State Extension Services and the Federal office in their programs.
4. Provides program leadership to state personnel. Federal office personnel work with state administrative personnel and specialists on developing marketing programs in the various areas of work. This involves the development of well-rounded programs giving full consideration to the problems involved in the State and bringing to bear the know-how of Federal office personnel and the experiences of other States in the organization and conduct of similar or related programs.

5. Develops subject matter materials and supplies sources of information to enable state specialists to keep abreast of the current situation and utilize their time most efficiently. Publications or newsletters are prepared to keep state specialists abreast of new developments in the various fields, to analyze national or regional changes in the situation as they affect state programs and to keep state specialists informed about research developments and other information issued by industry, government, or other states which might be of value in state programs.
6. Conducts demonstrations of new techniques, methods and materials being utilized by other specialists or marketing organizations that have been proven to be practical.
7. Reports on accomplishments of extension marketing programs. Reports are prepared for administrators to use in keeping legislators and the public informed about extension developments, accomplishments of extension programs, and to inform State personnel of the accomplishments of the extension program as a whole.

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